



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street  
San Francisco, CA 94105-3901

In Reply  
Refer to: WTR-5

JAN 21 2009

Alison Dettmer, Manager  
Energy and Ocean Resources Unit  
California Coastal Commission  
45 Fremont Street, Suite 2000  
San Francisco, CA 94105-2219

Dear Ms. Dettmer:

Enclosed are two reports which assess the feasibility of disposal of drilling muds/cuttings and produced water from offshore oil and gas production platforms located in Federal waters off Southern California by means other than discharge into ocean waters. Discharges of drilling muds/cuttings and produced water are currently authorized by general NPDES permit No. CAG280000 which was issued on September 22, 2004 (69 FR 56761) (enclosed). The enclosed reports were a requirement of Part II.G.6.b of the general permit, which in turn was a special condition added to the general permit in accordance with the consistency concurrence of the California Coastal Commission at a public meeting held in Los Angeles on January 9, 2001.

Region 9's consistency certification for the general permit required that Region 9 consider the study results and propose permit modifications to require alternate disposal methods if such methods were determined to be "feasible" as defined in the California Coastal Management Plan (CMP). "Feasible" as defined in the CMP means:

"capable of being accomplished in a successful manner within a reasonable amount of time, taking into account economic, environmental, social, and technological factors" (California Coastal Act, section 30108).

The enclosed reports evaluate whether any alternative disposal methods would be "feasible" for the discharges, taking into consideration the specific factors included in the definition of "feasible" in the CMP. However, no such alternate disposal methods were identified. For reasons discussed below, we believe this is a reasonable conclusion and as such, we are not proposing any modifications of the general permit at this time based on the reports. However, the general permit is scheduled to be reissued in late 2009 and Region 9 will be re-evaluating all the permit requirements during the permit reissuance process.

Basically, Region 9 believes the conclusions of the reports are reasonable because the factors taken into consideration in developing the requirements of the existing general permit are very similar to the factors to be considered in the definition of "feasible" in the CMP. As such, it

is not surprising that the reports would conclude that all feasible steps have already been taken to minimize discharges to the ocean.

The effluent limits in the existing general permit were determined based on: (1) consideration of technology-based effluent limits to control conventional pollutants using Best Conventional Pollutant Control Technology (BCT); (2) consideration of technology-based effluent limits to control toxic and nonconventional pollutants using Best Available Treatment Economically Achievable (BAT); and (3) an evaluation of the Ocean Discharge Criteria Regulations (40 CFR Part 125, Subpart M) assuming BAT and BCT were in place. The fact sheet (enclosed) for the general permit provides additional information on the basis for the effluent limits in the existing general permit.

The general permit includes BAT and BCT effluent limits based on effluent limitations guidelines (ELGs) promulgated by EPA on March 4, 1993 (58 FR 12454, enclosed), and found at 40 CFR Part 435, Subpart A for the Offshore Subcategory of the Oil and Gas Extraction Point Source Category. In deriving BAT limits, section 304(b)(2)(B) of the Clean Water Act (CWA) requires a consideration of the following factors:

“the age of the equipment and facilities involved, the process employed, the engineering aspects of the control technologies, process changes, the costs and economic impact of achieving such effluent reduction, non-water quality environmental impacts (including energy requirements) and such factors as the Administrator of EPA deems appropriate.”

In deriving BCT limits, the CWA (section 304(b)(4)(B)) requires a consideration of the following factors:

“the reasonableness of the relationship between the costs of attaining a reduction in effluents and the effluent reduction benefits derived, and the comparison of the cost and level of reduction of such pollutants from the discharge from publicly owned treatment works to the cost and level of reduction of such pollutants from a class or category of industrial sources, and shall take into account the age of equipment and facilities involved, the process employed, the engineering aspects of the application of various types of control techniques, process changes, non-water quality environmental impact (including energy requirements), and such other factors as the Administrator deems appropriate.”

The effluent limits in the existing general permit also reflect consideration of the following ten factors found in EPA's Ocean Discharge Criteria Regulations (40 CFR Part 125 Subpart M):

- (1) The quantities, composition and potential for bioaccumulation or persistence of the pollutants to be discharged;
- (2) The potential transport of such pollutants by biological, physical or chemical

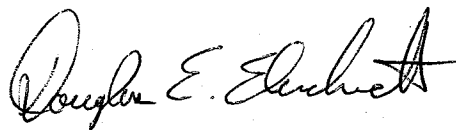
processes;

- (3) The composition and vulnerability of the biological communities which may be exposed to such pollutants, including the presence of unique species or communities of species, the presence of species identified as endangered or threatened pursuant to the Endangered Species Act, or the presence of those species critical to the structure or function of the ecosystem, such as those important for the food chain;
- (4) The importance of the receiving water area to the surrounding biological community, including the presence of spawning sites, nursery/forage areas, migratory pathways, or areas necessary for other functions or critical stages in the life cycle of an organism.
- (5) The existence of special aquatic sites including, but not limited to marine sanctuaries and refuges, parks, national and historic monuments, national seashores, wilderness areas and coral reefs;
- (6) The potential impacts on human health through direct and indirect pathways;
- (7) Existing or potential recreational and commercial fishing, including finfishing and shellfishing;
- (8) Any applicable requirements of an approved Coastal Zone Management plan;
- (9) Such other factors relating to the effects of the discharge as may be appropriate;
- (10) Marine water quality criteria developed pursuant to section 304(a)(1).

Taken altogether, the factors considered in the development of the BAT and BCT limits, supplemented with a consideration of the factors in the Ocean Discharge Criteria Regulations, are very similar to the factors considered in evaluating whether discharge alternatives are "feasible" under the CMP. Since such factors were considered in the development in the discharge restrictions in the existing general permit, we believe the permit is consistent with the requirements of the CMP. Again, for this reason, we are not proposing any modifications of the general permit at this time in response to the information in the reports.

Should you have any questions regarding this matter, or if you would like to discuss the conclusions of the reports and any appropriate next steps, please call me at (415) 972-3420 or refer your staff to Eugene Bromley of the NPDES Permits Office at (415) 972-3510.

Sincerely,



Douglas E. Eberhardt, Chief  
NPDES Permits Office

Enclosures

cc: Western States Petroleum Association  
DCOR, LLC